

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Workers' Compensation Costs, Fiscal Year 2003/2004	REFERENCE NUMBER: 2004-056
DATE ISSUED: 10/14/04	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transaction Supervisors
Return-to-Work/Claims Coordinators
Health and Safety Officers**

FROM: Department of Personnel Administration
Benefits Division

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The workers' compensation payment data for Fiscal Year (FY) 2003/2004 is now available on the Department of Personnel Administration's Web site. Go to "Benefits," then "Workers' Compensation," and scroll down to "Workers' Compensation Cost Information."

This data shows State payments during FY 2003/2004, by department, for all claims.

The State's FY 2003/2004 workers' compensation costs total \$525.9 million, or 4.65% of payroll. This represents an increase of \$24.2 million (4.8%) over last year's costs. During the same time period, payroll costs decreased by \$7.9 million (7%).

The number of open claims increased to 41,530 on July 1, 2004, compared to 39,230 on July 1, 2003. This is an increase of 2,300 claims (5.9%). This figure is cumulative and includes all active claims, regardless of the original date of injury.

Costs increased slightly over last year in all areas of workers' compensation expenses. There were significant increases in the following areas: temporary disability benefits, vocational rehabilitation benefits, Industrial Disability Leave benefits, Labor Code Section 4800/4800.5 benefits, and insurance premiums paid by agencies covered under insurance policies with the State Compensation Insurance Fund.

Specific cost increases/decreases:

Temporary Disability Benefits	17.38%
Permanent Disability Benefits	.52%
Vocational Rehabilitation Benefits	6.04%
Medical Expenses	.95%
Service Fees	.94%
Industrial Disability Leave Benefits	9.85%
Labor Code Section 4800, 4800.5 Benefits	8.22%
Premiums	93.37%

The 31 departments that spent in excess of \$1 million during FY 2003/2004 represent 96.9% of all workers' compensation costs for the State.

If you have any questions or require additional information, please contact Shelby Wineinger at (916) 445-9760.

/s/[Debbie Endsley]

Debbie Endsley, Chief
Benefits Division